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The Netherlands

Fresh Deciduous Fruit

Annual

2001

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Report Highlights:
Recent EU apple overproduction and low prices, decreasing consumption, and heavy competition has lead to serious financial problems for Dutch apple growers. Both apple and pear growers are facing stronger environmental rules compared to their EU partners. Due to a lower apple crop, opportunities for U.S. exports to the Netherlands and western Europe are reasonable. However, the tight EU pear market and relatively high prices provide a much better outlook for U.S. pear exports to the Netherlands.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Table of Contents

Executive Summary

The quantity of the 2001 Dutch apple crop is expected to decrease by 5 percent to 500,000 MT. This smaller crop of high quality, in conjunction with a EU wide decrease of about 9 percent in apple production, may create a favorable 2001/02 EU apple market.

Recent EU apple overproduction and the resulting low prices, decreasing consumption, and heavy competition during the past few years has led to serious financial problems for Dutch apple growers. The cost of apple production is about 100 Dutch cents per kilo and the average 2000/01 apple price was 62 Dutch cents. In response, smaller and less efficient apple growers are disappearing and the remaining growers and cooperatives are trying to better coordinate their marketing efforts.

In sharp contrast to the apple sector, the Dutch pear growers benefitted from favorable prices over the past few years. In 2000/01, pear prices were good. The Dutch 2001 pear crop is expected to decrease in quantity by 64 percent to 70,000 MT, due to alternating bearing years, an outbreak of the Pseudomonas bacterium due to a wet winter which eliminated flower buds, and low light intensity during the period of flower bud formation, especially in August 2000. Prices are likely to be much higher, than levels in 2000/01.

Both apple and pear growers in The Netherlands sometimes face stronger environmental rules compared to those applied in the rest of the EU. Fears of losing their competitive position have led to efforts to combine marketing and export efforts for Dutch fruit.

For apples, very modest opportunities exist for U.S. exports to the Netherlands and western Europe. However, the tight EU pear market and relatively high prices provide a much better potential for U.S. pear exports to the Netherlands. Nevertheless, most of the imported pears would eventually be re-exported to other European countries and Russia. Private label apples and pears offer opportunities because many supermarket chains want to carry their own brands. In addition, the demand for organic apples and pears is increasing, as well as for new and ‘exotic’ varieties.

Exchange Rate			
Year	**U.S. $**	**EURO**	**Dutch florin (guilder)**
1998	1	-	1.98
1999	1	0.94	2.07
2000	1	1.09	2.39
2001*	1	1.14	2.45

Note: For 2001 exchange rates are only available for the first six months

Apples

General Production

The Dutch 2001 apple crop will be smaller than the preceding year. Because of a dry spring and little hail, the fruit quality is high. The fruit has smooth skin, good size, no scab and no hail damage which will prolong their shelf life. In spite of favorable weather conditions during the blooming and growing season, the estimated production decreased 5 percent to 475,000 MT. This decrease is due to a shrinking of planted area, especially in the province of Zeeland, although the production per hectare is high, with 38 metric tons per hectare. An expected 9 percent decrease in EU apple production is likely to have a favorable effect on EU apple prices in the coming season.

PSD Table						
Country	Netherlands					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**07/1999**		**07/2000**		**07/2001**
Area Planted	14,191	14,191	13,501	13,501	0	12,420
Area Harvested	12,339	12,339	11,739	11,739	0	10,800
Bearing Trees	25,000	25,000	25,000	23,000	0	21,500
Non-Bearing Trees	6,000	6,000	6,000	5,500	0	5,100
Total Trees	31,000	31,000	31,000	28,500	0	26,600
Commercial Production	518,000	518,000	457,000	450,000	0	430,000
Non-Comm. Production	57,000	57,000	53,000	50,000	0	45,000
TOTAL Production	575,000	575,000	510,000	500,000	0	475,000
TOTAL Imports	311,520	338,891	386,285	246,098	0	255,000
TOTAL SUPPLY	**886,520**	**913,891**	**896,285**	**746,098**	**0**	**730,000**
Domestic Fresh Consump	346,826	317,717	350,294	317,133	0	316,000
Exports, Fresh Only	382,292	434,050	386,115	294,402	0	286,000
For Processing	143,300	147,599	144,733	122,507	0	117,000
Withdrawal From Market	14,102	14,525	15,143	12,056	0	11,000
TOTAL UTILIZATION	**886,520**	**913,891**	**896,285**	**746,098**	**0**	**730,000**

Low apple prices in recent years have increased the problems of the Dutch apple sector. Higher production and decreasing consumption have heightened competition among European suppliers. Apple imports from southern hemisphere countries have intensified the problem. EU up-rooting schemes are still too small to be really effective. The result is disappearance of the smaller, less efficient growers. However, some producers are working to develop new varieties in order to meet consumer preferences. It is expected that about 14 percent of the Dutch fruit growers will stop their activities in the short term.

The Netherlands: No. of Farms with Apples and Pears and the Acreage			
	Apples	**Pears**	**Total Acreage (hectares)**
1990	3,523	2,923	21,442
1998	2,623	2,431	20,621
1999	2,510	2,372	20,211
2000	2,293	2,240	18,858
1990/00	- 35 percent	- 23 percent	- 12 percent

Source: CBS-Landbouwtelling, 2000

The Netherlands: Apple Acreage in Hectares			
Apple Variety	**1992**	**1997**	**2000**
Golden Delicious	1,634	1,052	850
Cox's Orange Peppin	2,155	1,256	850
Belle de Boskoop	1,592	1,226	1,028
Elstar	4,950	5,260	5,625
Other	6,653	5,890	5,151
TOTAL	**16,983**	**14,682**	**13,501**

Note: the area planted with apples is decreasing 8 percent per year on average
Source: Central Bureau of Statistics, 2001

Of the 2001 total fruit acreage, more than 90 percent is devoted to apples and pears. However, the area planted to apples is decreasing, especially areas devoted with the Jonagold variety because of low profits. The total area planted for apples has decreased 23 percent in the last ten years. In 2001, the production of Jonagold is expected to decrease 17 percent. However, the production of the leading Elstar variety is expected to increase 9 percent to 185,000 MT. In 2001, the total area planted for apples has been the smallest in twenty years. Despite disappointing profits, planting activities for apples and pears are still high. Since 1995, 1,800 hectares per year on average have been planted to new apple trees. This is more than 10 percent of the total planted area.

The Netherlands: Apple Production by Variety (July/June season/1,000 metric tons)						
	1996/97	**1997/98**	**1998/99**	**1999/2000**	**2000/2001**	**2001/2002***
Apple Variety						
Elstar	150	135	170	190	170	185
Jonagold	140	108	123	145	135	150
Gold. Delicious	45	45	45	50	40	40
Cox's O.P.	50	50	47	55	40	40
Boskoop	30	35	35	45	30	30
Jonagored**	-	37	42	45	45	-
Other Apples	75	60	45	45	40	30
TOTAL	**490**	**470**	**507**	**575**	**500**	**475**

* Estimates

** For 2001/2002 the apple variety Jonagold includes also Jonagored apples

Source: Product Board for Horticulture

In the beginning of the season, new crop Dutch apples of the need permission from the "Kwaliteits-Controle-Bureau" (KCB) Dutch quality control organization to be sold. KCB determines if the apples are ripe enough to be traded. In 2001, the varieties which KCB is are; James Grieve, Delcorf, Alkmene, Cox's Orange Pippin, Elan and Elstar. All apple varieties also have to meet the basic quality criteria of the Dutch quality control organizations KCB, "Algemene Inspectiedienst" (AID) and "Plantenziektenkundige Dienst" (PD). Until August 27, half of the total supply of James Grieve apples were disapproved by KCB since they were not ripe enough. Some apple growers harvested their James Grieve apples too early hoping to receive higher prices for their apples.

Production of Organic Apples

In 1999, the total Dutch acreage for growing organic fruit amounted 105 acres. Less than 73 acres were used for growing organic apples. According to the Dutch supermarket organizations, the price difference between organic apples and non-organic apples may not exceed Dfl 0.25 per kilo, thereby greatly reducing the incentive for producers to switch to organic. Production costs are twice as high as for non-organic apples. High prices of organic fruits is one of the main reasons for the reluctance of Dutch consumers to purchase organic.

In the last couple of years the Dutch supply of organic fruit accounted for approximately 1 percent of the total fruit supply. In 1999, the total value of Dutch organic fruit production was almost US$4 million. Of the total organic fruit production 400 MT, apples have the largest share, 250 MT, followed by pears. Dutch organic apple production is rising, but still lags behind other EU countries like Italy and Germany. In 2000, about 40 farms grew organic apples. In the Netherlands, the production of organic apples ranges 4 to 8 tons per acre, compared to38 tons for conventionally grown product in 2001. Approximately 70 percent of the organic apple production consists of Elstar and Jonagold varieties, which also have the largest shares of total Dutch apple production.

Dutch growers of organic fruit face the following difficulties:

- Technical problems. The tools to combat diseases, like scab, are insufficient. The use of some organic insecticides and pesticides is still not allowed.
- Since March 1, 2000, the use of copper has been forbidden.
- Business-economic problems during the "conversion period". In the last couple of years, apple prices were low, while investment costs, especially for the "conversion period," have been high. Therefore, subsidies are needed.
- The three-year conversion period hinders growers to convert to organic fruit.

Fruit growers who are certified by Stimulans Duurzame Landbouw (SDL) could get tax deductions when they invest to improve the environment.

Production of Residue Free Apples

Although only a small part of Dutch apple and pear growers are organic farmers, more than half of the apple and pear orchards in The Netherlands are managed using 'environmentally friendly' methods that minimize the use of chemicals and encourage pest control through natural methods. The share of this "integrated growing" will probably increase, due to the announcement of Ahold, Albert Heijn that it will sell only residue-free food within a couple of years. According to Ahold, Albert Heijn, consumers want to buy healthy products without residues from pesticides and insecticides. This does not mean that Albert Heijn will switch to organic food, because the requirments for organic food are much stricter. Therefore, residue-free fruit could become a substitute for organic fruit, especially when the prices are lower.

Food Safety Policy

Decreasing Residue Levels

Since 1998, the use of chemical substances in Dutch agriculture has decreased consideralbly. In 2000, 18.1 of kilos chemical substances per hectare were used for the production of apples (232MT in total), compared to 29.0 kilos in 1998. This 38 percent decrease is mainly due to stricter regulations on the use of the plant protection product "Captan." For pears, the use of growth inhibitor chloormequat (CCC) has been prohibited. According to the "Keuringsdienst van Waren" the Dutch Inspectorate for Health Protection and Veterinary Public Health (), Dutch vegetables and fruit have very low residue levels relative to other EU Member States.

In 1999, 15.0 percent of imported vegetables and fruits contained unacceptable high residue levels, compared to 2.4 percent of similar Dutch products. According to the "Stichting Natuur en Milieu" the Nature and Environment Foundation, Dutch apples and pears have, however, higher residue levels than imported apples and pears. In The Netherlands, vegetables, fruit and grains are tested for 323 residues. Compared to other EU Member States, the Dutch residue limits and inspections are very strict. Therefore, in The Netherlands more residues from plant protection products are found in vegetables, fruit and grains than in all other EU Member States.

Prohibition of Chemical Plant Protection Products

While both the EU and the Dutch want to use less chemicals in fruit production, Dutch growers complain that their government's desire to be a leader in this area hinders the Dutch fruit industry's competitiveness and could lower fruit quality and quantity. Since August 9, 2001, the Dutch parliament has forbidden the use and possession of 6 "indispensable" chemical substances which are used in 16 chemical plant protection products. The prohibition of "carbaryl" used in the plant protection product Sevin SL may result in the disappearance of some apple and pear varieties, since there are no good alternatives for carbaryl available. Carbaryl protects apples and pears against insects. Also, it is used to thin out apple trees to prevent them from bearing too many small apples. To protect fruit trees without carbaryl, more labor is needed, causing higher prices. Production volume will probably decrease. Since carbaryl is often used when organic plant protection products fail, "integrated growing" is also threatened. More than half of the apple and pear farms in The Netherlands follow the lines of the ecological control mark organization MBT. This means that growers minimize the use of chemical plant protection products and make use of natural predators to solve problems. For example, kestrels are used to catch mice, while predatory mites are used to deal with butterfly eggs, small caterpillars etc.

In the future, supermarkets will still sell imported apples and pears treated with carbaryl. In other countries like Belgium, France and Spain, the protection products mentioned above are still permitted. Apples and pears imported from New Zealand and Chile are not tested for protection products. In 2008, the EU will harmonize regulations for EU growers on about 150 plant protection products. Until then, the Dutch apple and pear growers foresee severe competition from other European market players due to this imbalance in pesticide requirements.

Levy on Chemical Insecticides and Pesticides

In 2003, the Dutch government will introduce a levy on the use of insecticides and pesticides. The goal of this will be a 95 percent reduction in chemical insecticides and pesticides in Dutch agriculture in 2010 relative to 1998. In addition, 90 percent of Dutch fruit farmers should have certificates for "integrated growing" by 2005, which states that they have made every effort to reduce the use of products which are harmful to the environment. Participation in the certifying plan is free. However, if less than 90 percent of Dutch farmers have a certificate by 2005, the Dutch government will prohibit the use of chemicals at non-certified farms. For the next five years, the Dutch government will spend US$ 62 million on development and extension of environmentally friendly plant protecting products and extra controls on conformity to the regulations.

Dutch Fruit Growers React Negatively

According to the Dutch Fruit Growers Association (NFO), companies are not interested in developing alternative plant protection products, since the Dutch market is too small for them. According to the Product Board for Horticulture, the levy will increase the illegal use of insecticides and pesticides, since growers can buy the products in the surrounding countries for even lower prices. According to the Dutch Farmers Association (LTO), due to the levy, less growers would turn to organic growing, since they will not have enough savings to survive the three year conversion period.

Consumption
Dutch households on average purchase, more than US$ 24 on apples and US$ 6 on pears each year. In 1999, spending on apples made up 25 percent of total spending on fruit, which was worth US$ 120 per household per year. Supermarkets had a 66 percent market share in fruit sales in 1999, compared to 61 percent in 1996. Total supermarket sales of apples in the Netherlands was US$ 40.4 million. In many EU countries, more money is reportedly spent on vitamins and food supplements than on apples and pears.

More Industry Funded Promotions
In order to heighten consumer awareness of apples and the range of varieties available, the Product Board for Horticulture, auctions/sales organizations, and supermarkets have organized promotional campaigns. The campaigns partly focus on the positive aspects of apples, in an effort to capitalize on the growing consumer interest in health foods. Recent consumer research showed that consumers prefer a wide variety of fresh fruit which is organically grown. Therefore, some Dutch producers funded by the Product Board for Horticulture, are working to develop new varieties in order to meet consumer preferences. In October 2001, at the beginning of the new apple season, the promotion campaign “New Crop” is expected to increase the consumption of Dutch apples, like the Elstar variety. About US $ 275,000 is being spent on the campaign, compared to US $ 105,000 in 2000. The promotion is coordinated by the "Information Bureau for Vegetables and Fruit."

EU, Dutch Activities to Encourage Fruit Consumption
In general, fruit consumption is decreasing in the Netherlands, except for summer fruit such as plums, strawberries and cherries. The younger generation is eating less fruit. Therefore, the Dutch government supports the proposal for 2002 of the Dutch Product Board for Horticulture to subsidize fruit such as apples, pears, bananas, oranges, kiwi, etc. at kindergardens, primary schools and high schools. At the moment, Dutch youth eat only 75 grams of fruit per day, instead of the recommended 200 grams. This is partly due to the fact that fewer children eat breakfast before going to school. In addition, fruit is relatively expensive compared to snacks like prepacked child cookies, candy bars and hamburgers. Therefore, subsidized fruit could better compete with snack food and stimulate the health of children by preventing diseases, like cancer. The introduction of fruit in schools costs approximately US $0.21 per child per day. It is expected that 40,000 tons of small sized apples and pears, 10 percent of the total Dutch apple and pear stock will be needed. The Dutch Ministry of Public Health, Welfare and Sport will subsidize the School Fruit Project with US $8 million, to improve the health of children. The Dutch horticultural sector will share the cost, contributing US $1.2 million The largest part of the subsidy US $2 million would be paid by the European Commission, since the EU reserves the equivalent millions of US dollars to encourage production in the Dutch fruit sector. It is expected that school fruit would be introduced in September 2002.

To promote the consumption of apples, supermarket chains are emphasizing the cultivation techniques used, special promotional activities and , presentations, product information, and offering them under their own private labels. For example, supermarket chain "C1000" sells its own apple brand "Roblos." Apples are bestsellers in supermarkets and make up a large product group. Therefore, they can brighten up the fruit and vegetables section. Although some apples are packed in bags or in plastic-wrapped trays, most apples are sold individually

The Netherlands: Fruit Consumption in kilos per 100 Households, in first half year			
	1996	**1999**	**change**
Apples	1,531	1,385	-10%
Pears	341	263	-23%
Grapes	61	68	11%
Oranges	1,485	1,354	-9%
Bananas	752	765	2%
Other fruits	1,091	1,168	7%
All Fruits	**5,261**	**5,003**	**-5%**

Source: Product Board for Horticulture

Prices

It is expected that sales of Dutch apples will increase compared to last year. First, EU apples stocks are almost cleared. Second, countries outside the EU are exporting less apples to the EU this season. Third, the EU apple crop is one third smaller compared to 2000. In particular, the German "Strob-Obst" crop apples from privately owned orchards is small. The "Strob-Obst" crop decreased 50-70 percent compared to 2000. Therefore, German consumers are expected to buy more imported apples in supermarkets this year.

Auction prices for apples have remained low over the past several years, largely due to abundant worldwide supplies of apples and other fruit. Low returns to Dutch growers have caused serious financial distress to half of the fruit growers, with an increasing number of growers discontinuing operations. The cost of apple production is around 100 Dutch cents per kilo and the average 2000/01 apple price was 62 Dutch cents. However, after four lean years, Dutch apple growers have been high during September 2001. Apple prices were 30-60 Dutch cents per kilo higher compared to last year. It is expected that the prices will grow continuously until the end of 2001, due to low EU 2000 apple stocks and the very limited supply of apples from Southern Hemisphere countries. Supplies may drop after January 2002, with perhaps some further increase in prices, but new crop apples from southern hemisphere countries will begin again around mid-April, 2002.

The Dutch, German and Belgian fruit producer associations have requested stricter quality standards to raise apple prices. Since February 2000, large lower quality Jonagold apples have been offered to the processing industry instead of the to fresh-market. Partly due to this intervention, growers have received better prices. The three countries also want to make an agreement on standards for hardness and sugar content for apples and pears. European criteria for minimum standards already exist, but The Netherlands, Belgium and Germany want more stringent standards.

The Netherlands: Auction Prices for Apples (Dutch cents per kilo)						
	95/96	**96/97**	**97/98**	**98/99**	**99/00**	**00/01***
Average Price	81	75	70	53	48	62
Apple Variety						
Golden Delicious	80	73	68	61	57	67
Boskoop	99	97	72	54	49	67
Jonagold	87	75	62	54	58	69
Cox's Orange	98	89	92	64	56	86
Elstar	102	89	96	63	70	85
Gloster	83	49	45	41	48	46
Processing Apples	32	27	21	17	23	17
one US$ = Dfl	1.69	1.95	2	2.07	239	2.45

Source: Central Bureau of Statistics
* July 99 thru June '00 only

Plan of Operations 2000-2005

Dutch growers have realized that they must coordinate efforts to solve the financial problems in the sector. These problems are caused by structural worldwide overproduction and the strong purchasing power of large supermarket organizations. In the beginning of 2001, the Dutch fruit growers association (NFO) initiated a "Plan of Operations 2000-2005" for Dutch fruit producters. In cooperation with the two largest cooperative fruit sales organizations "The Greenery" and "Fruitmasters," other auctions and "Frugi Venta" Dutch Export and Import Organization for Vegetables and Fruit the following goal should be reached: *To supply the West-European consumer with top quality fruit which guarantees inner quality and grown in an environmentally friendly way.*

The goal mentioned above would be reached by:

- Certification of the production chains and the companies involved
- Introduction of new varieties by the established company INOVA FRUIT B.V.
- Integrated pest and disease management (minimizing the use of chemical plant protection products)
- Combined generic promotion (by all partners in the fruit supply chain)
- Introduction of fruit supply in secondary schools

SWOT Analysis Dutch Fruit Production Industry	
Strong - High knowledge level in all links of the chain - Modern plant breeding station - Modern firms - Willing to invest in varieties - Cooperative funding	**Opportunities** - Retail needs differentiated product - Cooperative auctions - Fruit growers are willing to tune in supply on demand
Weak - Splitting up of present supply - Insufficient direction by the market - No focused research on utility value - Insufficient use of modern marketing methods	**Threats** - Competition from China - Long development term, high diminishing risk - No new main variety available still - Competition between links in the chain

Source: Vakblad AGF, 2001

The Dutch Ministry of Agriculture, Nature Management and Fisheries stated that they will subsidize the development of environmentally friendly fruit varieties. US $ 0.8 will be paid for the development of fruit varieties which are less dependent from chemical plant protection products.

Trade

Russia Becoming More Prevalent Market - South Africa Producing More

The Netherlands is a large trader of fresh apples, with imports from EU origins and overseas, including Chile, Argentina and, increasingly, South Africa. Not all of these apples are consumed by the Dutch. Most of the Dutch exports and re-exports of apples go via Rotterdam to neighboring EU countries and Scandinavia, although Russia has been an important destination in the last five years as well.

In 2000, total apple imports decreased 27 percent. Imports from the southern hemisphere countries decreased 34 percent because of high freight costs due to high oil prices, unfavorable currency rates, and low apple prices in the EU due to a large supply. In addition, the 2000 apple production in Chile, Argentina, Brazil and South Africa decreased significantly compared to the previous year due to unfavorable weather conditions. The 2001 apple crop of southern hemisphere countries was larger than last year, with the exception of Brazil and New Zealand. However, many apples from South-Africa, Argentina and New Zealand were to small to be exported to the EU. Since there is less supply on the EU market in 2001, it is expected that exports of southern hemisphere apples will increase to 1998 levels. This will mainly be due to increased apple exports from Chile and Argentina. Exports from Brazil are expected to decrease by 50 percent, due to unfavorable weather conditions.

The Netherlands: Imports of Apples from Selected Overseas Origins (Metric Tons)					
Calender Year	**1996**	**1997**	**1998**	**1999**	**2000***
U.S.A.	650	377	1,946	2,091	1,058
Chile	53,486	47,189	57,635	71,004	30,493
Argentina	21,456	27,176	22,294	23,085	9,794
Brazil	2,712	18,715	7,350	35,378	32,032
South Africa	9,178	14,262	32,251	35,072	29,277
TOTAL	87,482	107,719	121,476	166,630	102,654

SOURCE: Eurostat
* Estimates

"Jonagold" apples have the largest share of Dutch apple exports, followed by "Elstar." Germany is the most important export destination for Dutch Jonagold apples, followed by Russia, Sweden and Finland. Elstar apples are mainly exported to Germany and France. In 2000, exports of Dutch apples decreased 32 percent. Exports to Germany decreased 31 percent due to large German stocks of Jonagold and Elstar, largely because of the increased capacity of controlled atmosphere stores. Foreign demand for Dutch apples is expected to be strong. This is due to a decrease of 9 percent in the EU apple crop. German apple production is expected to decline 21 percent compared to the preceding year. It is the largest export market for Dutch apples. In addition, the EU apple stocks of the old crop are almost cleared.

EU apple exports to Russia have helped limit the fall of prices, but exports to Russia dropped sharply after their monetary crisis in 1998. This situation has changed in the 2000/01 season however because the Russian apple crop was small due to severe night frost during the blooming season. Dutch apple exports to Russia increased 10 percent in 2000, compared to the previous year. China is the main player on the Russian apple market. It is expected that China will strongly increase its EU market share within the next two years.

The Netherlands: Exports of Domestic Apples and Re-Exports of Imported Apples to East European Countries
(Metric Tons)

	1997		1998		1999		2000	
	Exports	Re-Exports	Exports	Re-Exports	Exports	Re-Exports	Exports	Re-Exports
Russia	26,342	44,148	19,547	25,522	17,999	20,730	14,593	20,303
Poland	2,959	2,508	1,845	1,675	3,061	3,606	4,298	1,466
Estonia	1,022	509	1,267	841	2,821	1,111	1,449	946
Latvia	1,336	1,026	1,252	520	2,488	939	1,305	1,327
Lithuania	734	456	898	386	2,275	498	1,844	338
Czech Rep.	4,786	416	2,543	495	6,954	773	4,194	114
Croatia	26	76	13	91	116	111	15	49
Slovenia	-	12	-	4	43	13	-	20
Hungary	12	421	69	504	33	444	26	264

Source: Product Board for Horticulture

Organic Apples

In 2000, approximately 65 percent (42,000 tons) of Dutch organic vegetable and fruit production was exported, while 35 percent (22,000 tons) remained in the Netherlands. Although Dutch supermarkets reportedly face shortages in organic vegetables and fruit availability, markets still offer the best opportunities. This is due to the significantly higher prices that consumers in those countries are willing to pay for organic products. The United Kingdom, Germany and Scandinavia are the main export destinations for Dutch organic vegetables and fruit. The demand from the U.K. has particularly increased in the last couple of years. It is expected that Southern Europe will also offer good export opportunities in the short run. In the countries mentioned above, supermarkets are the main outlets for organic products.

Distribution Channels of Dutch Organic Vegetables and Fruit for 2000 (Volume)

Export markets:	**65%**	**Domestic market:**	**35%**
- United Kingdom	60%	- Health food stores	45%
- Germany	20%	- Subscription schemes	30%
- Other	20%	- Supermarkets	20%
		- Other	5%

Product Board for Horticulture

In the European Union, much less organic fruit is grown than organic vegetables. Because of the insufficient supply in the EU, especially of organic pears, the Netherlands has to import organic fruit from countries such as Israel, Argentina, Chile, New-Zealand and South Africa. The majority of imports is re-exported. The main destinations for organic fruit from the Netherlands are Germany, the United Kingdom, Austria and Switzerland.

Export of Dutch Organic Fruit in 1997/1998	
Volume (x1, 000 kg)	NA
Share in production	50%
Destination	Germany, United Kingdom, Austria and Switzerland

Product Board of Horticulture

Trade Matrices

Import Trade Matrix			
Country	Netherlands		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric Tons
Imports for:	**1999**		**2000**
U.S.	2,091	U.S.	1,058
Others		Others	
E.U.	153,324	E.U.	122,691
- France	64,765	- France	72,637
- Belgium	72,623	- Belgium	35,235
- Germany	4,440	- Germany	6,399
South Africa	35,072	South Africa	29,277
Brazil	35,378	Brazil	32,032
Chile	71,004	Chile	30,493
Argentina	23,085	Argentina	9,794
New Zealand	14,355	New Zealand	16,605
Total for Others	332,218		240,892
Others not Listed	4,582		4,148
Grand Total	338,891		246,098

Export Trade Matrix			
Country	Netherlands		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric Tons
Exports for:	**1999**		**2000**
U.S.	8	U.S.	29
Others		Others	
E.U.	354,791	E.U.	222,884
- France	33,960	- France	11,698
- Belgium	22,444	- Belgium	12,031
-Luxembourg	14	-Luxembourg	6
- Germany	224,877	- Germany	154,688
- U.K.	21,805	- U.K.	13,203
Poland	5,848	Poland	5,311
Czech Rep.	6,376	Czech Rep.	3,628
Russia	38,460	Russia	42,244
Belarus	6,425	Belarus	2,224
Total for Others	411,900		276,291
Others not Listed	22,142		18,082
Grand Total	434,050		294,402

U.S. Export Opportunities

The EU apple crop is forecast to be 9 percent smaller than last year. Therefore, it is expected that the average auction prices for apples in the 2001/02 season will be good. Since U.S. apple exports to Europe are largely dependent on availability and prices in Western Europe, the 2001/02 outlook for U.S. exports to The Netherlands, and the rest of the EU, appear more promising than the last couple of years. The main trade barriers for U.S. apples and pears at this time are high freight costs, precipitated by the high US dollar.

Private label apples and pears offer opportunities because many supermarket chains want to promote their specific supermarket brands. In addition, 'exotic' apple and pear varieties could offer opportunities too. The demand for new and exotic apple varieties as the Pink Lady, Honey Crunch, Braeburn, Gala and the Fuji is increasing.

The Netherlands: Imports of USA Apples
(Metric Tons)

	1996	1997	1998	1999	2000
U.S.A.	650	377	1,946	2,091	1,058

Source: Central Bureau of Statistics
* Estimates

In general, Dutch consumers do not want to pay a price difference of more than 20 percent for organic apples and pears compared to similar non-organic apples and pears. However, within the EU there is a shortage of cheaper organic fruit, especially of organic pears. Therefore, organic apples and pears have to be imported from countries like Israel, Argentina, Chile, New Zealand and South Africa, where production costs are relatively low. If U.S. growers can meet the Dutch national organic standards, opportunities exist to enter the Dutch market as well. This is especially the case when low production costs could compensate for the high dollar. In addition, a U.S. national organic standard will help to catch the attention of Dutch importers of organic fruit.

Apple Juice

The Netherlands does not produce much apple juice. Most of the juice is produced abroad. Germany is the largest supplier of either concentrated or single strength apple juice to the Netherlands. Because of the large supply of "industrial" apples on the world market, the price for apple concentrates is low. China plays an increasingly important role on the world market for apple concentrates. The Netherlands mainly sells industry apples to Germany when apple prices are very low, as was the case in 1998/1999 and 1999/2000. For 2001, the export of Dutch industry apples to Germany is expected to decrease, also due to large German apple stocks.

Dutch consumers drink on average 27 liters fruit juice per year and consumption is still increasing. In 1998, the consumption of apple juice was 6 liters per capita, second to orange juice. In 1999 organic juices had a market share of only 0.5 percent in the Dutch juice market. A 2.5 percent market share is estimated in 2003.

Although no figures on juice production exist in the Netherlands, it is clear that more and more growers are beginning to produce high quality juice by themselves. Compared to large Dutch juice producers like Riedel, Vrumona and Hero, volumes are still small, but new brands appear frequently. To stress quality, locally produced juice is often related to a specific region in the Netherlands, like "Flevosap" apple juice and “Limburg Land” apple and pear juice with an organic label. In 2001, the Dutch firm Biorganic/Ecogrande has introduced the first organic apple juice in a 200 milliliter package.

The Netherlands: Juice Consumption
(liters/capita)

	1997	1998
Total Juice	26.3	27.0
Orange Juice	13.9	14.4
Apple Juice	5.8	6.0
Grapefruit Juice	0.8	0.8
Other Juices	5.8	5.8

SOURCE: Product Board for Horticulture

Note: no figures are available after 1998

Pears

Production

The 2001 Dutch pear crop will be the lowest since 1973. The fruit quality is moderate, especially for the conference variety. It is expected that production decreased 64 percent to 70,000MT. Pear production per hectare amounted to 12 MT compared to 32.5MT last year. The decrease is due to alternating bearing years, an outbreak of the "Pseudomonas" bacterium due to a wet winter which eliminated flower buds, and low light intensity during the period of flower bud formation especially in August 2000. The production of the leading pear variety Conference is expected to decrease 48 percent to 55,000 MT. The variety "Doyenné du Commice" is expected to decrease 71 percent. The production of cooking pears varieties "St. Remy" and "Gieser Wildeman" should also drop. It is expected that the short supply of Dutch pears will increase the prices in The Netherlands. In addition, an expected 8 percent decrease in EU pear production is likely to have a favorable effect on EU pear prices in the coming season. Organic pear production is very low in Europe and, therefor, offer an opportunity for Dutch growers.

PSD Table						
Country	Netherlands					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**07/1999**		**07/2000**		**07/2001**
Area Planted	6,140	6,140	6,206	6,020	0	6,500
Area Harvested	5,372	5,372	5,426	5,400	0	5,800
Bearing Trees	6,600	6,600	6,600	7,100	0	7,600
Non-Bearing Trees	1,300	1,300	1,300	1,400	0	1,500
Total Trees	7,900	7,900	7,900	8,500	0	9,100
Commercial Production	121,000	121,000	164,000	175,000	0	63,000
Non-Comm. Production	14,000	14,000	16,000	20,000	0	7,000
TOTAL Production	135,000	135,000	180,000	195,000	0	70,000
TOTAL Imports	114,511	126,428	133,978	108,375	0	180,000
TOTAL SUPPLY	**249,511**	**261,428**	**313,978**	**303,375**	**0**	**250,000**
Domestic Fresh Consump	89,841	76,941	108,708	126,101	0	85,000
Exports, Fresh Only	149,531	174,855	180,932	163,290	0	155,000
For Processing	10,139	9,632	24,338	13,984	0	10,000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	**249,511**	**261,428**	**313,978**	**303,375**	**0**	**250,000**

Since 1997, the mycosis "black fruit rot" has spread rapidly throughout The Netherlands. This is especially the case this year, probably due to warm weather. The mycosis causes much damage in pears and is difficult to combat. In The Netherlands, "black fruit rot" is still relatively unknown compared to Spain and Italy. The provinces of "Gelderland" and "Utrecht" suffer in particular from black fruit rot. Another threat for the Dutch pear crop, as well as for the apple crop, is the rapid increase of crow and rook colonies, especially in the Southwestern part of The Netherlands. Crows and rooks damage the fruit heavily by pecking at them.

The Netherlands: Pear Production by Variety Season July-June in 1,000MT						
Pear Variety	**1996/97**	**1997/98**	**1998/99**	**1999/00**	**2000/01**	**2001/02***
Conference	80	85	90	95	130	55
Doyenne du C.	20	30	25	20	35	10
Other Pears	35	30	25	20	30	5
TOTAL	**135**	**145**	**140**	**135**	**195**	**70**

* Estimated
Source: Product Board for Horticulture

In January 1999, the British supermarket chain Tesco stopped sales of pear imported from The Netherlands and Belgium after discovering high concentrations of the growth retardant cloremequat (CCC). Pear growers in the United Kingdom are not allowed to use CCC in pear growing and the EU only allows the use of CCC with a maximum residue level of 3 parts per million (ppm). Tesco found levels of 15 to 20 ppm. Since February 2000 the Dutch fruit auctions and traders who purchase directly from growers have to ensure that all pears they bring in the market are inspected for CCC by the research organization TNO.

The Netherlands: Pear Acreage by Variety in Hectares			
Pear Variety	**1992**	**1997**	**2000**
Conference	2,700	3,531	3,996
Doyenne	1,215	1,204	1,136
Other varieties	1,489	1,204	1,074
TOTAL	**5,406**	**5,939**	**6,020**

Source: Central Bureau of Statistics, 2001

Nowadays, many growers replace apple trees with pear trees, which are more profitable because of higher prices in recent years. The "Conference" variety is by far the most popular variety in the EU and the Netherlands. In the next couple of years, the Dutch production of "Conference" pears will grow strongly, because of all the investments in this variety (planting trees and enlarged planting area). The present planting of many pear trees could cause an overproduction of pears in the long term. It takes 7 years until a pear tree is in full production, compared to three years for apples. A combination of apples and pears seems to provide the best foundation for a good future for fruit growers. Since the Dutch market for pears is limited, extra pear production would be exported.

Prices

In contrast to apples, pear prices have been good during the last couple of years. However, the average price for pear decreased 27 percent to 95 cents per kilo in 2000/01, compared to the previous year. This decrease is due to the very large 2000 pear crop in The Netherlands. As the Dutch pear crop is expected to decrease by 64 percent in 2001/02, pear prices are expected to increase strongly. In September 2001, the price of a kilo of "Conference" pears increased 100 Dutch cents, compared to last year.

The Netherlands: Average Auction Prices for Pears
(Dutch Cents per kilo)

	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01*
Total Average	83	95	127	110	131	95
Legipont	58	71	90	68	94	55
Beurre Hardy	53	65	135	63	77	54
Conference	99	99	138	123	137	117
Doyenne du C.	85	116	138	123	126	69
Cooking Pears	52	81	92	85	170	61
one US$ = Dfl	1.69	1.95	2	2.07	2.39	2.45

* July 99 thru June '00
Source: Product Board for Horticulture

Trade

The Netherlands is a large importer and exporter of pears. Imports are usually about 100,000 MT, with the EU supplying 25 percent and overseas countries like South Africa, Argentina, Chile and others supplying the remaining 75 percent. Almost all Chilean pears destined for the EU market are traded via the Netherlands. In 2000, total pear imports decreased 14 percent. Imports from the southern hemisphere countries decreased 6 percent. The 2001 pear crop for southern hemisphere countries has been larger than last year. However, it is expected that pear imports from southern hemisphere countries will not really increase because of high freight costs, and unfavorable currency rates.

The Netherlands: Imports of non-EU Pears
(Metric Tons)

	1996	1997	1998	1999	2000*
Chile	31,759	29,739	31,229	33,531	26,117
S-Africa	7,593	10,821	15,198	21,410	24,291
Argentina	11,565	11,983	16,518	25,330	24,850
U.S.A.	**2,951**	**3,130**	**7,800**	**5,270**	**2,285**
Others	1,192	2,522	3,848	3,662	3,063
Total	**55,060**	**58,195**	**74,593**	**89,203**	**80,606**

Source: Eurostat
* Estimates

Approximately 80 percent of Dutch pear exports consist of the variety "Conference." Total exports are usually about 150,000 MT, except in years when EU pear prices are high. The United Kingdom is by far the most important export destination for Dutch pears, followed by Germany and Russia. In 2000, total Dutch pear exports decreased 7 percent. Exports of pears to Germany decreased 28 percent. Due to a large supply of Dutch pears and decreased pear prices, foreign demand pushed exports to record levels in the 2000/01 season. It is expected that 2001/02 Dutch pear exports will be small, given the tight Dutch pear market and expected high pear prices.

Trade Matrices

Import Trade Matrix			
Country	Netherlands		
Commodity	Fresh Pears		
Time period	CY	Units:	Metric Tons
Imports for:	**1999**		**2000**
U.S.	5,270	U.S.	2,285
Others		Others	
E.U.	37,225	E.U.	27,769
- France	6,677	- France	4,214
- Belgium	22,883	- Belgium	15,531
- Spain	2,449	- Spain	1,674
South Africa	21,410	South Africa	24,291
Chile	33,531	Chile	26,117
Argentina	25,330	Argentina	24,850
Total for Others	117,496		103,027
Others not Listed	3,662		3,063
Grand Total	126,428		108,375

Export Trade Matrix			
Country	Netherlands		
Commodity	Fresh Pears		
Time period	CY	Units:	Metric Tons
Exports for:	**1999**		**2000**
U.S.	9	U.S.	20
Others		Others	
E.U.	135,026	E.U.	118,914
- France	17,952	- France	14,216
- Germany	45,033	- Germany	32,404
- U.K.	35,074	- U.K.	39,933
- Denmark	7,049	- Denmark	7,889
Norway	4,246	Norway	4,843
Latvia	3,309	Latvia	2,391
Lithuania	1,529	Lithuania	983
Poland	2,794	Poland	1,339
Russia	23,239	Russia	29,371
Total for Others	170,143		157,841
Others not Listed	4,703		5,429
Grand Total	174,855		163,290

U.S. Export Opportunities

The outlook for U.S. pear exports in the 2001/02 season is good given the tight EU pear market and the expected high price levels. The United States is a fairly stable supplier of the "Anjou" pear to the Netherlands. However, Dutch imports of U.S. pears in 2000 decreased 57 percent compared to the previous year. Most pears are re-exported all over Europe and Russia, only 2 percent or less remain in the Netherlands. The demand for new and exotic pear varieties as "Su-pears" and "Angélys" is increasing.

The Netherlands: Imports of U.S. Pears
(Metric Tons)

Year	Metric Tons	Year	Metric Tons	Year	Metric Tons
1987	570	1992	2,517	1997	3,130
1988	1,957	1993	2,044	1998	7,800
1989	3,513	1994	3,207	1999	5,270
1990	4,057	1995	3,050	2000*	2,285
1991	1,997	1996	2,950		

Source: Central Bureau of Statistics
* Estimates

Addresses

For detailed trade information on the trade in apples and pears, please contact the following organizations:

Product Board for Horticulture
Mr. A. van Woerden
P.O. Box 280
NL-2700 AG, Zoetermeer
The Netherlands
Tel: +31.79.3470707
Fax: +31.79.3470404
Email: pt@tuinbouw.nl
Internet: http://www.tuinbouw.nl

NFO
(Dutch Fruit Growers Organization)
Mr. H.G. Bus
P.O. Box 90607
2509 LP, The Hague
The Netherlands
Tel: +31.70.3382900
fax: +31.70.3453902
Email: nfo@wxs.nl

Frugi Venta
(Dutch Importers and Exporters Organization for Fruit and Vegetables)
Mr. W. Baljeu
P.O. Box 90410
2509 LK, The Hague
The Netherlands
Tel: +31.70.3355010
fax: +31.70.3355020
Email: baljeu@frugiventa.nl
Internet: http://www.frugiventa.nl

Bedrijfschap voor de Groothandel en de Tussenpersonen in Groenten en Fruit
(Dutch Traders Association for Vegetables and Fruit)
Mr. J. van der Vorm
P.O. Box 90410
2509 LK, The Hague
The Netherlands
Tel: +31.70.3850100
fax: +31.70.3475253
Email: j.van.der.vorm@fruittrade-nl.com
Internet: http://www.fruittrade-nl.com

Cooperative Fruit Sales Organizations

The addresses of the two largest Dutch cooperative fruit sales organizations can be found below:

Coöperatie Fruitmasters Groep U.A.
Mr. A. van Arendonk
P.O. Box 222
4190 CE Geldermalsen
The Netherlands
Tel: +31.345.578830
Fax: +31.345.578832
Email: e.vanarendonk@fruitmasters.nl
Internet: http://www.fruitmasters.nl

The Greenery International B.V.
Mr. P. Kok
P.O. Box 79
2990 AB Barendrecht
The Netherlands
Tel: +31.180.657033
Fax: +31.180.657773
Email: p.kok@thegreenery.com
Internet: http://www.thegreenery.com

Private Label
The private label market in the Netherlands shows significant signs of growth in the future. Many shoppers would like to see a wider variety of private label products in supermarkets. For more information on the annual Private Label Manufacturers Association-Trade Show and private labels in general, please contact:

PLMA International Council
World Trade Center
Strawinskylaan 671 Tel: +31 20 575 3032
NL-1077 XX Amsterdam Fax: +31 20 575 3093
The Netherlands Internet: www.plma.com

Organic
Current consumer preferences indicate that product quality exceeds taste and health aspects. Sustainability, environmental and animal welfare play an increasingly important role. Consumer interest in organic products is growing, although many believe that organic products are expensive. On average, organic products are regarded as healthier. For more information on Dutch importers of organic apples and pears and organics in general, please contact:

Platform Biologica
P.O. Box 12048 Tel: +31.30.2339970
NL-3501 AA Utrecht Fax: +31.30.2304423
The Netherlands Internet: www.platformbiologica.nl